

Message Text

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65

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 USIE-00 SSO-00 NSCE-00

INRE-00 AS-01 PA-01 PRS-01 /089 R

DRAFTED BY EB/ORF/FSE - DANIEL T. HICKEY:MEP

APPROVED BY EB/ORF/FSE - LAWRENCE R. RAICHT

TREAS:ASAFIR

FEA-BKRITZER

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O 182330Z NOV 75

FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ENRG

SUBJECT:IEA:REVISED US OIL PRODUCTION TABLE

FOR SHINN FROM HICKEY

PLEASE PASS TO STEVE BOSWORTH IMMEDIATELY

TABLE I:

1985 U.S. OIL PRODUCTION-BUSINESS AS USUAL CASE

(OIL AT \$13/BARREL, C.I.F., U.S.A.)

(THOUSANDS OF BARRELS PER DAY)

MINIMUM ACCEPTABLE PRICE PER BARREL (1975)

UNDER \$5 \$5.01-6 \$6.01-7 \$7.01-8 \$8.01-9

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LOWER-48 5669 656 134 262 349

ONSHORE 4409 25 68 203

-PRIMARY 2366 21 43 117

-ENHANCED 2043 4 25 86

OFFSHORE 1060 562 105 132 89

OIL SHALE

HEAVY HYDROCARBONS 94 4 62 57

NPR-1 200

ALASKA 1646 265 40 820 720

PRUDHOE BAY 1600

NPR-4 378

BEAUFORT SEA 442

OTHER NORTH SLOPE 720

SOUTH ALASKA 46 265 40

TOTAL 7315 921 174 1082 1069

CUMULATIVE TOTAL 7315 8236 8410 9492 10561

TABLE I

1985 U.S. OIL PRODUCTION-BUSINESS AS USUAL CASE

(OIL AT 13.BARREL, C.I.F., U.S.A.

THOUSANDS OF BARRELS PER DAY)

MINIMUM ACCEPTABLE PRICE PER BARREL (1975)

\$9.01-10 \$10.01-11 \$11.01-12 \$12.01-13 TOTAL

LOWER-48 692 885 301 462 9410

ONSHORE 661 854 301 211 6732

-PRIMARY 276 568 73 97 3561

-ENHANCED 385 286 228 114 3171

OFFSHORE 31 26 1 2006

OIL SHALE 250 250

HEAVY HYDROCARBONS 5 222

NPR-1 200

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ALASKA 3491

PRUDHOE BAY 1600

NPR-4 378

BEAUFORT SEA 442

OTHER NORTH SLOPE 720

SOUTH ALASKA 351

TOTAL 692 885 301 462 12901

CUMULATIVE TOTAL 11253 12138 12439 12901

1. FEA PROVIDED THE OIL PRODUCTION DATA AS THE BEST AVAILABLE INFORMATION IN ORDER TO PROVIDE AN ANALYTIC BASE FOR DISCUSSION OF THE MSP LEVEL BY THE US DELEGATION. AS SUCH IT REPRESENTS ONGOING EFFORTS WITH RESPECT TO THE FORECAST OF US CRUDE OIL PRODUCTION.

2. THE FIGURES IN THE TABLE REPRESENT THE AMOUNT OF CRUDE OIL PRODUCED PER DAY AT VARIOUS PRODUCTION COSTS IN 1985 (DOES NOT INCLUDE ASSOCIATED PETROLEUM LIQUIDS PRODUCTION). THEY ARE BASED ON THE ASSUMPTION THAT THE WORLD PRICE OF OIL IS 13 DOLLARS A BARREL AND HAS BEEN SINCE 1975.

3. BASED ON THE 13 DOLLAR SELLING PRICE, AND THE RELATED ASSUMPTIONS CONCERNING DRILLING AND FINDING RATES, THE FIGURES INDICATE THAT 7.3 MMBD OF US OIL WILL BE PRODUCED AT A COST OF 5 DOLLARS A BARREL AND UNDER.

ADDITIONAL INCREMENTS OF PRODUCTION ARE AVAILABLE AT HIGHER COSTS UP TO THE 13 DOLLAR CEILING. USING ANOTHER SELLING PRICE, E.G. 9 DOLLARS A BARREL ACROSS THE DECADE, AND THE CONSEQUENT DRILLING AND FINDING RATE ASSUMPTIONS THIS PRICE WOULD ENTAIL, BY 1985 A DIFFERENT OIL PRODUCTION PROFILE WOULD OCCUR. IT SHOULD BE EMPHASIZED HOWEVER, THAT DIFFERENCES WOULD NOT BE SIGNIFICANT UP TO THE 10 DOLLAR PER BARREL RANGE. THEREFORE, REGARDLESS OF WHAT PRICE IS ASSUMED AS THE WORLD PRICE FOR THE BASIS OF 1985 COMPUTATIONS, THE AMOUNTS SHOWN IN THE TABLE ARE OUR BEST ESTIMATE AS TO WHAT AMOUNT OF CRUDE LIMITED OFFICIAL USE

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OIL WOULD BE PRODUCED AT THE COSTS OF PRODUCTION INDICATED. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, DATA, COST ESTIMATES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE273130
Document Source: CORE
Document Unique ID: 00
Drafter: DANIEL T. HICKEY:MEP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750402-0100
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751135/aaaabfaf.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2003 by ElyME>; APPROVED <30 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EA:REVISED US OIL PRODUCTION TABLE FOR SHINN FROM HICKEY
TAGS: ENRG, US, IEA
To: OECD PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006